

Chapter 126

INSURANCE

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[HISTORY: Adopted by the Borough Council of the Borough of Camp Hill as indicated in article histories. Amendments noted where applicable.]

ARTICLE I Use of Fire Insurance Proceeds [Adopted 7-10-1996 by Ord. No. 953, approved 7-10-1996]

§ 126-1. Duties of insurance companies, associations and exchanges.

No insurance company, association or exchange (hereinafter the "insuring agent") doing business in the Commonwealth of Pennsylvania shall pay a claim of a named insured for fire damage to a structure located within the Borough of Camp Hill where the amount recoverable for the fire loss to the structure under all policies exceeds \$7,500, unless the insuring agent is furnished with a certificate pursuant to Section 508(b) of the Insurance Company Law of 1921, as amended by Act of 98 of 1992 and Act of 93 of 1994 (collectively, the "Act") and unless there is compliance with the procedure set forth in Sections 508(c) and (d) of the Act.¹

§ 126-2. Designated officer.

The Borough Manager is hereby appointed as the designated officer who is authorized to carry out all responsibilities and duties of the Borough of Camp Hill stated herein, other than the responsibilities and duties specifically assigned to the Tax Collector.

§ 126-3. Billing duties of Borough Manager.

Where there are delinquent taxes, assessments, penalties, or user charges against the property ("Borough claims") or there are expenses which the Borough has incurred as costs for the removal, repair or securing of a building or other structure on the property (collectively, "Borough expenses"), the Borough Manager shall immediately render a bill for such work, if he has not already done so.

1. Editor's Note: See 40 P.S. § 636 et seq.

§ 126-4. Certification by Borough Tax Collector.

The Borough Tax Collector shall, upon the written request of the named insured specifying the tax description of the property, the name and address of the insuring agent and the date agreed upon by the insuring agent and the named insured as the date of the receipt of a loss report of the claim, furnish the insuring agent either of the following within 14 working days of the request:

- A. A certificate or, at the discretion of the Borough, a verbal notification, which shall be confirmed in writing by the insuring agent, to the effect that as of the date specified in the request there are no unpaid Borough claims or Borough expenses against the property; or
- B. A certificate and bill specifying the nature and amount of any unpaid Borough claims or Borough expenses. The certification may also specify the payee(s) of amounts owed, including, without limitation, the Tax Collector, Tax Claim Bureau or Borough. For the purpose of this subsection, the Borough shall certify to the Tax Collector the total amount, if any, of such costs, as well as the amount of any delinquent taxes, assessments, penalties and user charges not otherwise available to the Tax Collector. A tax assessment, penalty or user charge becomes delinquent at the time and on the date a lien could otherwise have been filed for such claims under applicable law.

§ 126-5. Payment of proceeds.

- A. Upon the receipt of a certificate pursuant to § 126-4A of this article, the insuring agent shall pay the claim of the named insured in accordance with the policy terms, unless the loss agreed to between the named insured and the insuring agent equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure. In the case of such a loss, the insuring agent, the insured property owner and the Borough shall follow the procedures set forth in § 126-6 of this article.
- B. Upon the receipt of a certificate and bill pursuant to § 126-4B of this article, the insuring agent shall return the bill to the Tax Collector and transfer to the Tax Collector an amount from the insurance proceeds necessary to pay the Borough claims and Borough expenses as shown on the bill, made payable as designated by the Tax Collector in the certificate and bill. The Borough shall receive the amount and apply or credit it to payment of the items shown in the bill.

§ 126-6. Payment to be escrowed.

When the loss agreed upon by the named insured and the insuring agent equals or exceeds 60% of the aggregate limits of liability on all fire policies covering the building or other structure, the following procedures shall be followed:

- A. The insuring agent shall transfer from the insurance proceeds to the designated officer of the Borough, in the aggregate, \$2,000 for each \$15,000 of such claim or fraction thereof, unless Subsection B herein applies.

- B. If at the time of a loss report the named insured has submitted to the insuring agent as well as to the Borough a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure in an amount less than the amount calculated under the foregoing transfer formula, the insuring agent shall transfer from the insurance proceeds to the designated officer the amount specified in the estimate.
- C. The transfer of proceeds shall be on a pro rata basis by all insuring agents insuring the building or other structure.
- D. When transferring proceeds to the Borough, an insuring agent shall provide the Borough with the name and address of the named insured.
- E. Policy proceeds remaining after the transfer to the Borough shall be disbursed by the insuring agent in accordance with the policy terms.
- F. After the transfer, the named insured may submit to the Borough a contractor's signed, written estimate of the costs of removing, repairing or securing the building or other structure. If such estimate is deemed by the designated officer to be reasonable, the Borough shall return to the named insured the amount of the funds, without interest, transferred to the Borough in excess of that estimate, provided that the Borough has not commenced to remove, repair or secure the building or other structure. If the Borough has commenced work, the Borough will complete the work, and follow the procedures outlined in § 126-7.

§ 126-7. Use of escrowed proceeds.

- A. Upon receipt of proceeds under § 126-6, the Borough shall do the following:
 - (1) The designated officer shall place the proceeds in a separate fund to be used solely as security against the total anticipated costs of removing, repairing or securing the building or other structure which are incurred by the Borough. Such costs shall include, without limitation, any material, labor, engineering, legal or administrative costs incurred by the Borough in connection with such removal, repair or securing of the building or any proceedings related thereto.
 - (2) Upon receipt of the funds to be escrowed and the name and address of the named insured, the Borough shall mail to the named insured a notice certifying that the proceeds have been received by the Borough and notifying the named insured that the procedures under this section shall be followed.
 - (3) When repairs, removal or securing of the building or other structure have been completed, an appropriate Codes Enforcement Official, designated by the Borough, shall inspect the property and certify that the repair, removal or securing of the structure has been completed in accordance with all applicable codes and regulations of the Borough. The Borough Officer will then forward the certification to the designated officer.
 - (4) When the required certification from the appropriate Borough Officer has been received by the designated officer, one of the following shall occur:

- (a) If the Borough has not incurred any costs for repairs, removal or securing of the building or other structure, the escrow fund shall be returned to the named insured, without interest; or
 - (b) If the Borough has incurred costs for repairs, removal or securing the building or other structure, the costs shall be paid from the fund. If excess funds remain, the Borough shall transfer the remaining funds to the named insured, without interest.
- B. Nothing in this article shall be construed to limit the ability of the Borough to recover any deficiency recovered pursuant to this article, or to insurance proceeds, by an action at law or equity to enforce the codes of the Borough.
- C. Nothing in this article shall be construed to prohibit the Borough and the named insured from entering into an agreement that permits the transfer of funds to the named insured if some other reasonable disposition of the damaged property has been negotiated.

§ 126-8. Implementation; fees; filing of copies.

- A. The Borough Council of the Borough of Camp Hill may, by resolution, adopt procedures and regulations to implement Act 98 of 1992, as amended,² and this article and may, by resolution, fix reasonable fees to be charged for Borough activities or services provided pursuant to Act 98 of 1992, as amended, and this article, including, without limitation, the issuance of certificates and bills, performance of inspections and opening of separate fund accounts. Nothing in this section shall prohibit or limit the Borough from recovering costs under § 126-7 of this article, whether or not such costs or fees have been fixed by resolution.
- B. The Secretary of the Borough shall transmit a certified copy of this article promptly to the Department of Community Affairs of the Commonwealth of Pennsylvania.

§ 126-9. Violations and penalties.

Any owner of property, any named insured, any insuring agent or any individual acting on behalf of an insuring agent who violates this article or who shall fail to comply with any of the requirements hereof shall be liable, upon summary conviction, to fines and penalties not exceeding \$1,000, which fines and penalties may be collected by suit or summary proceeding brought in the name of the Borough before any District Justice or recovered as debts of the like amount are now by law recoverable.

2. Editor's Note: See 40 P.S. § 636 et seq.